United States Court of Appeals

for the Second Circuit

APPELLANT'S REPLY BRIEF

74-2139

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IN THE

United States Court of Appeals

For the Second Circuit

Appeal No. 74-2139

HYMAN KRAMER, doing business as
HY KRAMER ENTERPRISES,

Plaintiff-Appellant,

v.

DURALITE COMPANY, INC., and
G & A MACHINE WORKS, INC.,

Defendant-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

REPLY BRIEF FOR APPELLANT

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REPLY BRIEF FOR APPELLANT

INTRODUCTORY STATEMENT

Little need be said by way of reply to the "Brief for Defendant-Appellee" herein ("the G & A brief" hereinafter). Having no bona fide legal argument to make in response to plaintiff-appellant's main brief, counsel for G & A has resorted to an extreme, unlawyerlike, calumnious, personal attack upon plaintiff-appellant, has attempted to confuse this Court as to the real issues presented on appeal, and has sought to interject into this appeal a credibility issue which plaintiff-appellant has already conceded,

in his main brief (at pp. 8, 15) *arguendo and only for purposes of this appeal,* for the express purpose of focusing this Court's attention on the *errors of law* committed by the Trial Court. Additionally, the G & A brief is pregnant with important admissions to which defendant-appellees should be held.

Accordingly, Kramer relies upon and respectfully urges this Court's renewed attention to the arguments already well made in his main brief, none of which were met by the G & A brief, in order to avoid unnecessary repetition in this reply brief. The scope of this reply brief will be limited to incorporating the principal admissions of the G & A brief into Kramer's arguments and to exposing the blatant attempts by G & A to mislead this Court.

ARGUMENT

POINT I

IT IS IMPORTANT TO REMAIN FOCUSED ON THE SPECIFIC BASIS UPON WHICH THE TRIAL COURT AWARDED ATTORNEY FEES

The Trial Court's Opinion and Order (App. 139a-144a) states but one basis for the award of attorney fees, to wit: fraud on the Patent Office:

> "In his direct testimony Kramer reiterated the claim that he was the sole inventor of the leg hinge bracket *in much the same words as the oath he subscribed to in his application for the patent. I find that this* testimony of the plaintiff was totally incredible and wholly false." (App. 142a) (Emphasis supplied).

And subsequently:

> ". . . plaintiff was not the creator of the design or device and lied when he said he was." (App. 143a)

The foregoing and sole finding of fraud in this case is founded, in part, upon the Trial Court's misconception that:

> ". . . this case presents the *once-in-a-lifetime situation* wherein the defendant . . . argues that . . . someone [Gonsalves] other than the patent owner [Kramer] invented it." (App. 142a) (Emphasis supplied).

Thus, it is clear that the Trial Court founded its award of attorney fees herein entirely upon its erroneous conclusion of law that Kramer committed fraud upon the Patent Office when he subscribed and swore to the conventional oath prescribed by 35 U.S.C. § 115, stating, *inter alia*, that: "I verily *believe* that I am the original, first and *sole* inventor of the invention . . ." (Emphasis supplied). The principal issue on appeal, then, is: based upon the uncontested conception of the improved hinge bracket by Kramer and his reduction to practice of this conception with the assistance of Gonsalves, was Kramer entitled to a *reasonable belief* that he was its *sole* inventor? If his contribution to the invention entitled him to entertain such *a reasonable belief*, then he did not lie to the Patent Office, and no attorney fee award was warranted. Even if the Trial Court had considered the difficult body of law relating to sole versus joint inventorship, had applied it to the ascertained and ascertainable facts and had concluded that Kramer was only a joint inventor, no attorney fee was warranted.

This appeal is *not* concerned, as the G & A brief (at pp. 6, 18) would have us believe, with inventorship over the prior art. As has been amply demonstrated in Kramer's main brief (at pp. 10-12), sole versus joint inventorship is a common and difficult patent problem. And the G & A brief (at pp. 13, 14 and 17) admits that such is the case. The Trial Court, in apparent ignorance of the applicable body of law, simply did not consider and apply it to the ascertained and ascertainable facts of this case even

though Kramer fully briefed the pertinent law and facts in his Rule 52(b) motion (App. 152a-168a) and begged the Trial Court to reconsider its error.

POINT II

THERE ARE NO CREDIBILITY ISSUES OR EVEN ISSUES OF FACT INVOLVED IN THIS APPEAL

Kramer does not for one instant concede that any of G & A's hysterical charges of perjury are true. While there are some minor differences in the apparent respective recollections of Kramer and Gonsalves as to transactions which occurred many years before trial, there is also a high degree of correspondence in their respective testimonies as to those facts which are material and relevant to the central issue presented by this appeal.

Nevertheless, in order to avoid confronting this Court with any issues of credibility or fact whatsoever on this appeal, Kramer submits that this Court may, for purposes of this appeal only, treat Kramer's entire fact testimony as non-existent or erroneous in every respect where it differs from that of G & A's witness, Gonsalves. As will then be seen, the material portions of Gonsalves' testimony, *upon which Kramer relies on appeal,* are bolstered by the Trial Court's scant findings of fact and, as it now appears, by the admissions contained in the G & A brief.

POINT III

KRAMER WAS THE SOLE INVENTOR OR, AT THE VERY LEAST, ENTITLED TO BELIEVE THAT HE WAS

As is fully detailed at pages 15-17 of Kramer's main brief, based on Gonsalves' testimony alone, Kramer conceived the essential features of the improved hinge bracket, gave Gonsalves detailed instructions as to the design of the bracket, supervised Gonsalves' work and approved the

final design. When the law on sole versus joint inventorship as established by the Supreme Court in *Agawam Co.* v. *Jordan,* 74 U.S. 583, 602 (1869) (main brief, pp. 13-14), and restated in *Minerals Separation, Ltd.* v. *Hyde,* 242 U.S. 261, 270 (1916) (main brief, p. 14), is applied to the facts established by Gonsalves' testimony alone, there can be no doubt that Kramer is the sole inventor or, at the very least, entitled to a reasonable belief that he is.

Moreover (see main brief, pp. 6-7), the Trial Court itself found that Kramer alone conceived the essential feature (and others) of the improved bracket, but it failed to apply the pertinent law to its own findings.

Finally (G & A brief, at p. 20), G & A itself has characterized Gonsalves' testimony as attributing the essential features of the conception of the improved bracket to Kramer.

> "Although Gonsalves said that Kramer directed that the critical angle be selected, directed that interlock take place, and much more, . . .".

In view of all of the foregoing, there can be no question of fact as to Kramer's conceptual activities. It remains only for this Court to apply the pertinent law and identify Kramer as the sole inventor. Even the Trial Court's acknowledged discretion to award attorney fees in an exceptional case under 35 U.S.C. § 285 cannot be founded upon an erroneous conclusion of law.

POINT IV

DEFENDANT-APPELLEES HAVE MISLED THIS COURT WITH RESPECT TO THE ATTORNEY FEE RATES ASSIGNED IN THE *BARR* CASE

With respect to "Point Two" of the G & A brief, which argues the amount of the attorney fee award herein, Kramer stands by the arguments contained in "Point II"

of his main brief (pp. 20-25) (These arguments are amplified in "PLAINTIFF'S MEMORANDUM WITH RESPECT TO THE AMOUNT OF ATTORNEY FEES AWARDED TO DEFENDANT" included in the Joint Appendix at pp. 212a-239a). However, with respect to this same subject matter and, particularly, the appropriate "rates" to be applied, the G & A brief is misleading when it states (at p. 28) with respect to the *Barr* cases:

> "It should be noted that the District Court ruling as to the finding of perjury was reversed above, . . . and that perhaps may have been one of the circumstances which led Judge Frankel to his determination as to amounts."

Judge Frankel determined the amounts in an opinion dated January 10, 1968 (*Barr Rubber Products Company* v. *Sun Rubber Co.*, 279 F. Supp. 49 (S.D.N.Y. 1968), *rev'd in part*, 425 F. 2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970), a full fifteen months before he was reversed by this Court (*Barr Rubber Products Company* v. *Sun Rubber Company*, 425 F. 2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970).

POINT V

ATTORNEY FEES ON APPEAL TO G & A ARE NOT WARRANTED

Under "POINT THREE" (pp. 29-30) of the G & A brief, a prayer for attorney fees on appeal is presented by G & A. Title 35 U.S.C. § 285 provides only that the court "in exceptional cases" may make an award of attorney fees to the prevailing party. The only notable exceptional aspect of this appeal to date is the unnecessary and unreasonable vilification of Kramer by G & A's counsel in the G & A brief. The cases cited by G & A are completely inapposite.

POINT VI

THE G & A BRIEF IS DELIBERATELY MISLEADING AS TO THE DEGREE OF PARTICULARITY WITH WHICH THE FRAUD ALLEGED AT TRIAL WAS PLEADED HEREIN

Under "Point Four" of its brief (at pp. 33-34) G & A deliberately seeks to mislead this Court. Contrary to the argument made (*without quotations*) at pp. 27-28 of Kramer's main brief, G & A asserts that its charge of fraud on the Patent Office by Kramer was adequately particularized as required by law (Rule 9(b) F. R. Civ. Proc.) so that it was the fault either of Kramer or his former counsel that Mr. Bumgardner had to cross-examine Gonsalves on the particulars of this charge less than one hour after he had been apprised of them for the first time. In support of this assertion, G & A quotes twice from its pleadings, the first being most pertinent (G & A brief, p. 33):

> "That the Plaintiff Hyman Kramer committed fraud on the Patent Office by reason of falsely making oath that he was the first inventor of the invention as set forth in each and every one of claims 1 through 3 . . ."

Those *three little dots* (. . .) are substituted for the following highly pertinent charges (See App. 23a-24a, a portion of an *Amendment to Answer by Stipulation*):

> ". . . [continuing] as originally filed with the patent application Serial No. 458,148 which has matured into the patent in suit, while having full and actual knowledge of prior articles of manufacture which were invented or designed by others and which fully or effectively anticipate said claims 1 through 3 and by Plaintiff Hyman Kramer's misrepresentation as to his state of knowledge at the time said patent application was filed."

This routine charge of fraud on the Patent Office by failure to cite the most pertinent *prior art* known to the inventor at the time of filing of the patent application was not only completely non-informative of the nature of the actual fraud charge to be made at trial, but was deliberately misleading to Kramer and his former counsel. Neither had the opportunity or knowledge based on the pleadings to advise Mr. Bumgardner as to even the general nature of the particular fraud charge which would be pursued at trial. Mr. Bumgardner had no opportunity to ascertain the full particulars of the fraud charge until the completion of Gonsalves' direct testimony.

In being compelled to attempt to rebut this serious and spurious criminal charge *after less than one hour's notice of its particulars*, Kramer and his trial counsel are clearly within the ambit of *Powell* v. *Alabama*, 287 U.S. 45, 59 (1932), which quoted with approval *Commonwealth* v. *O'Keefe*, 298 Pa. 169, 173, 148 A. 73, 74-75 (Supreme Ct., Pa. 1929). In *O'Keefe*, the defendant had a luxurious five hour lapse of time between arrest and trial. There has been no due process of law in this aspect of the case. The Trial Court apparently did not even read or consider Kramer's Rule 52(b) Motion on the law and established facts of inventorship, and G & A's counsel, who was caught unawares in the midst of his preparation of a response to that motion by the Trial Court's off hand denial thereof in all respects, apparently does not dispute this fact.

G & A lamely asserts (at p. 34 of its brief) that the mere identification of Gonsalves' signature on exhibit K prime should have fully apprised Kramer and his former counsel of the particulars of the fraud charge.

CONCLUSION

I. The decision of the Trial Court, filed December 20, 1973, should be reversed insofar as it held "that the plaintiff was not the creator of the [patented] design or device and lied when he said he was" and found "that this is such an exceptional case that attorney's fees are warranted under the provisions of 35 U.S.C. § 285."

II. This Court should afford plaintiff-appellant such other, further and different relief as appears to be appropriate in view of the arguments made herein.

Respectfully submitted,

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ADDENDUM

Federal Rules of Civil Procedure, 28 U.S.C.:

Rule 9 Pleading Special Matters

* * * *

(b) Fraud, Mistake, Condition of the Mind. In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. Malice, intent, knowledge, and other condition of mind of a person may be averred generally.

(57237)

CERTIFICATE OF SERVICE

I hereby certify that two (2) copies of the foregoing REPLY BRIEF FOR APPELLANT was mailed, postage prepaid this 23rd day of December, 1974 to:

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